IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN
JAIPUR BENCH
S.B. Civil Writ Petition No.2892/02
Rajasthan Association of Mini Cement Plants
Vs.
State of Raj. & Ors.

9.04.2007

Hon'ble Mr. Justice Mohammad Rafiq

Shri Anant Kasliwal for petitioner.

Shri S.N. Gupta, Dy. Government Advocate for State
Shri Ajeet Bhandari for respondent no.2
Shri K.K. Sharma for respondent no.4.

This writ petition has been filed by Rajasthan Association of Mini Cement Plants who have challenged the grant of lease by the respondent no.1 and 2 in favour of respondent no.4 M/s. Grasim Industries Ltd. by order dated 18.2.2002.

I have heard Shri Anant Kasliwal, the learned counsel for the petitioner and Shri Ajeet Bhandari, the learned counsel for the

RIICO and Shri K.K. Sharma, the learned counsel for the respondent no.4.

Shri A. Kasliwal, the learned counsel for the petitioner argued that petitioner is an association of Mini Cement Plants which was established by various non rajasthan marwaries who have made investment in setting up 35 mini cement plants in Behror and Kotputli Industrial Areas of Alwar District. The Government by its order dated 16.3.94 had earmarked 1.25 sq. kms for mining of lime stone for the purpose of mini cement plants of Samod and Kotputli with the direction that the RIICO shall authorize Rajasthan State Mineral Development Corporation (for short- RSMDC) to look after the work of mining in the said area. The RSMDC has been supplying lime stone of superior quality to the members of the petitioner association. However, the

government by its order dated 18.2.2002 cancelled the lease granted in favour of the RSMDC and instead granted the lease in favour of respondent no.4 M/s. Grasim Industries Ltd. It was argued that action of the government was contrary to its proclaimed policy. RIICO has acted arbitrary in cancelling the lease earlier granted to the RSMDC. Members of the petitioner association were invited to make huge investments in the State of Rajasthan. Having acted upon the promise of the government that they shall ensure continuous and uninterrupted supply of lime stone, the RIICO cannot now be allowed to go back upon its promise being bound by principle of promissory estopple. It was submitted that the action of the Government was, even otherwise, illegal and arbitrary being in violation of Article 14 of the Constitution

of India. It was therefore prayed that the order of the Government directing cancellation of lease by RIICO in favour of the M/s. Grasim Industries ltd. be quashed and set aside and the lease in favour of RSMDC be restored.

On the other hand, Shri Ajeet Bhandari and Shri K.K. Sharma, the learned counsel for the contesting respondents argued that almost all the mini cement plants who are members of the petitioner association have already been closed down. The government has taken a policy decision to grant mining lease to respondent no.4 because earlier arrangement was not commercially viable. Besides, it was submitted that there were very many other lime stone mines in and around the area from which the members of the petitioner association can procure lime stone. The RSMDC was appointed as an agency

of the Government for excavation of the minerals and now the Government has decided to give the same authority to M/s. Grasim Industries Ltd. No exception can therefore be taken thereto. Since the respondent no.4 had shown keen interest in setting up a large cement plant having invested huge amount, the RIICO keeping in view the overall economy of the State decided to lease out the said area in its favour. It was therefore prayed that the writ petition be dismissed.

Having heard the learned counsel for the parties and perused the material on record, I find that the decision to lease out the said area for excavation of lime stone to the respondent no.4 was policy decision which the government has taken keeping in view the viability of the project and the fact that the respondent no.4 would be

making huge investment and contributing to the growth of economy. Such a decision having been taken on valid and germane considerations cannot be considered as arbitrary and unlawful, just because the earlier arrangements which the petitioner had with RSMDC was discontinued. There was no difficulty for the members of the petitioner association to procure lime stone from other mine owners. Respondent no.4 has also made huge investments in the project. In these circumstances, I do not find it to be a fit case in which this Court should interfere in the decision taken by the Government.

The writ petition is accordingly dismissed with no order as to costs.

(Mohammad Rafiq),J.

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